



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

August 22, 2012

Certified Return Receipt  
7011 0110 0001 3568 3681

Michael Terry  
Anasazi Gold Reserves  
C/O North American Exploration  
447 North 300 West STE 3  
Kaysville, Utah 84037

Subject: Division Directive to Provide Additional Reclamation Surety, Anasazi Gold Reserves, Highland Mist Mine, S/021/0035, Iron County, Utah.

Dear Mr. Terry:

The Division of Oil, Gas and Mining has been informed that you cashed a certificate of deposit (CD) in the amount of \$16,400 that was being held as reclamation surety for the referenced site. Although you were able to cash the CD, you had no authorization from the Division to do so. The remaining amount of reclamation surety (\$42,800) for this site is inadequate. Based on the current disturbance at the site, using the Division's average cost per acre, the total surety requirement is calculated to be \$58,900 as follows:

3-year escalation (2015)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,900.00	\$7,900.00
Add'l Acres Disturbance	10	\$4,800.00	\$48,000.00
Add'l equipment mob (over 5 acre)	1	\$3,000.00	\$3,000.00
TOTAL			\$58,900.00

An application to transfer the permit to another entity is pending, but since the permit transfer has not been finalized, the Division considers you to be the responsible party. Therefore, **you are hereby directed to increase the amount of reclamation surety by \$16,100 to the total shown above, \$58,900. This must be completed by September 28, 2012.** Failure to do so will result in the Division taking formal enforcement action resulting in civil penalties being assessed. These penalties could be as great as \$750 per day. The Division will also pursue collection from Central Bank since they did not have authorization from the Division to release the CD.



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Please contact Penny Berry for assistance in submitting the additional surety. She can be reached at [pennyberry@utah.gov](mailto:pennyberry@utah.gov) or (801) 538-5291.

Thank you for taking the appropriate action to maintain the surety in a current status. If you have any questions regard this, please call me at 801-538-5261 or Lynn Kunzler at 801-538-5310.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul B. Baker", followed by a small "for" written below it.

Paul B. Baker  
Minerals Program Manager

PBB:lk:pb

cc: O Jay Gatton, Agent  
Michael D. Terry 1220 E 1200 N Mapleton, UT 84664  
Central Bank  
Will Stokes, SITLA ([wstokes@utah.gov](mailto:wstokes@utah.gov))

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